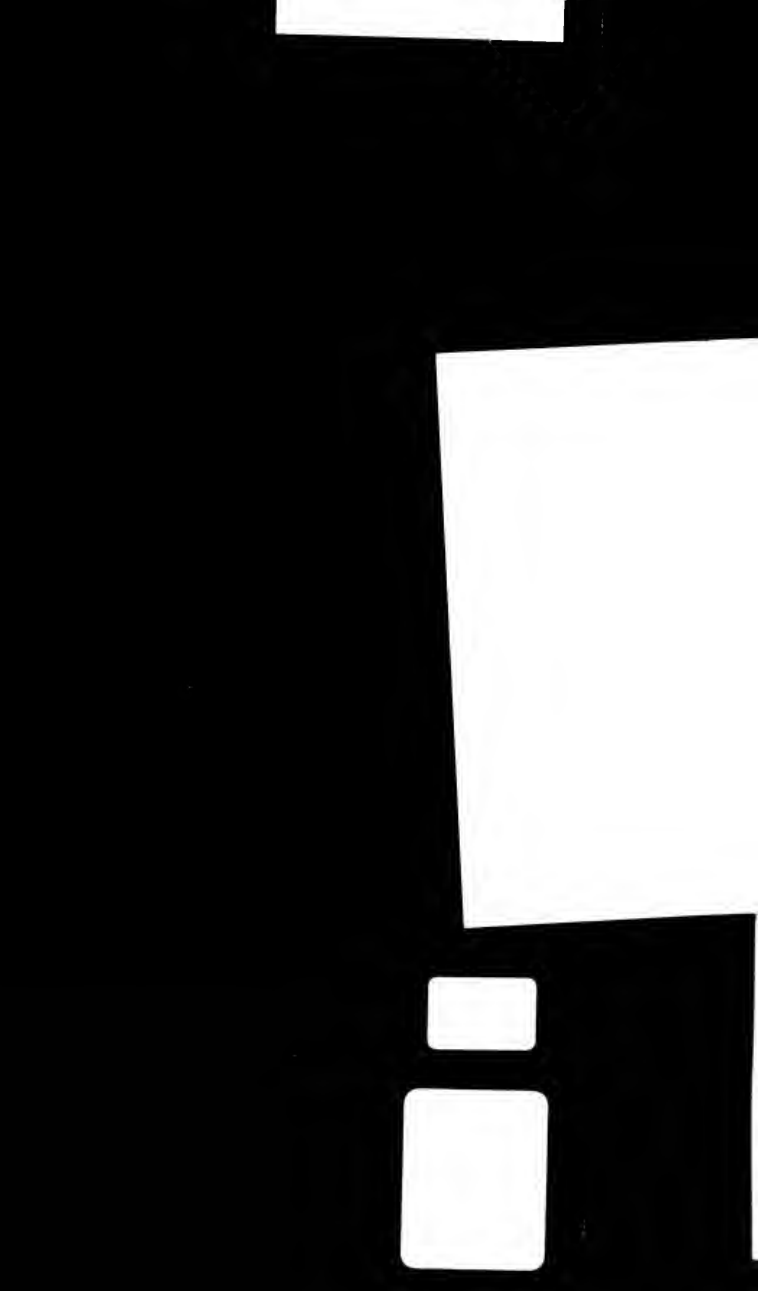
HEALTH SERVICE SYSTEM

of

NCISCO

ANNUAL REPORT

D *1942 - 1943*



HEALTH SERVICE SYSTEM

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SAN FRANCISCO

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HEALTH SERVICE SYSTEM
OF SAN FRANCISCO

(For Employees of the City and County
and of the Board of Education)

Louis A. Moran	A. S. Keenan, M. D.	Francis M. Robinson
President	*Medical Director*	*Secretary*

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HEALTH SERVICE BOARD

(Term expiring May 15, 1941)

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January 25, 1944.

HEALTH SERVICE BOARD
OF SAN FRANCISCO
Room 305, Civic Auditorium
San Francisco, 2, California

GENTLEMEN:

Presented herewith is a report on the fifth year of operation of the Health Service System under Plan I.

The sections of the report as are follows:

Respectfully submitted,

FRANCIS M. ROBINSON, *Secretary*
HEALTH SERVICE BOARD

Introduction . . .

The Health Service System completed its fifth year of operation under Plan I on September 30, 1943. For five years the city and school employees had provided themselves with medical protection through an organization established by their own endeavor under the city and county charter as a department of the municipal government.

About 10,000 employees of the city and school departments have participated in the System each year since the medical benefits became available. In addition, about one-third of them have maintained membership for their dependents. Membership of dependents and other voluntary members has averaged about 5,000 subscribers each year. The 15,000 persons so protected have had access to the best medical services and facilities in San Francisco.

Almost all of the employee members and dependent subscribers had availed themselves of medical service through the System by the fifth year. One or more medical bills have been paid for a majority of the subscribers each year. Seventy-three per cent of those eligible for medical service used the System during the first year. The corresponding demand for the fifth year has been reduced to 66 per cent. With certain individual subscriber groups as many as 91 per cent have availed themselves of medical care within a twelve-month period. There has been a tendency, however, toward a decrease in the proportionate demand or need for medical care as the System grows older. Some of the decrease, as evidenced during the last fiscal year, is undoubtedly due to the scarcity of medical facilities resulting from wartime conditions.

Whether the member has needed or used medical service or not, he has been insured against most of the unforeseen and often excessive medical costs which might have kept him in financial straits for a long period of time. If he did need medical care, he had access to the best that the community has to offer.

The changes and developments of the plan over a five-year period have been influenced by a number of factors. The most significant development has been the bringing into line, during the fifth year, of the demand for benefits of the System with the financial structure under which those benefits are provided.

The following report will set forth the financial and statistical experience of the fifth year of operation of the plan and discuss briefly the developments which have established the System on a sound financial basis.

STATEMENT OF FINANCES

A total of $477,000.55 was contributed to the funds of the System by the city and school employees for doctor, hospital and auxiliary medical care for themselves and their dependents during the 12-month period ending September 30, 1943. The average employee membership was 9,918 per month. Membership receipts for this group were $327,119.40. The membership rate for employees was $2.50 per month for the first two months of this period and $2.80 per month for the last ten months of the year.

The contribution total for the membership of retired employees was $16,886.15. The average monthly membership of the retired employees numbered 424. The rate for most of those in this group was $3.50 per month throughout the year. The rate for those few retired employees who were under 62 years of age was $2.50 for the first two months of the year and $2.80 for the remaining ten months.

The average monthly membership of adult dependents (18 years of age and over) was 2,721. Receipts from the group amounted to $93,948.90. The rate for subscribers in this group under 62 years of age was $2.50 for the first two months of the 12-month period, and $2.80 for the remainder of the year. Those aged 62 and over were covered at $3.50 per month throughout the year.

Contributions for an average monthly membership of 1,850 minor dependents (age 1-17) totaled $38,778.60.

The contribution rate for minor dependents was increased from $1.50 to $1.80 per month commencing with the third month of the 12-month period.

An additional sum of $267.50 was paid by employees who had formerly been exempt from the System but who withdrew their exemptions and became members. This so-called "penalty payment" for withdrawal of exemption was adopted by the Board when the plan was formulated in an effort to prevent abuse of the System due to persons remaining exempt until the need for medical care arose.

Membership in the System is compulsory for most employees who are members of the City Retirement System. It was established in 1937 under the charter as a condition of employment. The charter places on the Health Service Board the responsibility of seeing that city employees have adequate medical care. Those who are exempt from membership as a result of having previously made provision for adequate medical care in another manner must be admitted to membership upon request, as must those who have been granted exemption for religious reasons. Exemptions numbered 1,609 at the end of the year.

The total average monthly membership for the year ending September 30, 1943 was 14,913. This is a decrease of 1,006 from the previous year. The decrease in membership occurred in all types of subscriber group except retired employees. The greatest decrease occurred among the active employee members. The figure for this group stood at 10,442 for the armed forces. Some of it occurred as the result of employees leaving the previous year. Most of this decrease was due to employees entering the

city service permanently. The membership of adult dependents decreased 357, and minor dependents 199.

Some of the decrease in adult dependent membership was due to death and termination of dependency status. The leaving of the city service by employees who had enrolled dependents is a factor in lowered membership of adult and minor groups. New enrollment in these groups does not offset terminations of membership due to the fact that applicants for such membership must pass a physical examination, while the original groups, which included most of such members, were admitted without medical examinations. Few dependents were withdrawn from membership as a result of the increase in contribution rates mentioned above.

Except for members on leave of absence from their employment without pay, the contributions are deducted from the salary warrants of employee members and deposited with the city treasurer to the credit of the System. The receipts are allocated to a Medical Fund and an Administration Fund. The sum of 25 cents for each subscriber whose rate is $2.50 a month or more is placed in the Administration Fund. The greater portion of the contribution is allocated to the Medical Fund. The 25-cent per subscriber per month administrative allocation was made for all subscribers except minor dependents. (The plan has been amended to provide that 10 per cent of all contribution receipts be allocated to the Administration Fund beginning with the membership month of October, 1943.)

From total receipts of $477,000.55, the sum of $437,543.79 was allocated to the Medical Fund during the year covered by this report. Administrative allocations totaled $39,456.76, including $267.50 in exemption withdrawal penalties.

The average monthly receipts by subscriber groups were as follows (penalty payment omitted):

Employees	$27,259.95
Retired	1,407.18
Adult Dependents	7,829.08
Minor Dependents	3,231.55
Total	$39,727.76

From the combined allocation to the Medical Fund of $437,543.79, a total of $409,653.46 was disbursed for the services of doctors, hospitals, X-ray laboratories, clinical laboratories, ambulance service, and physiotherapy. The greater part of this disbursement was made for the services of doctors. Members of the professional staff received $291,541.76 during the year. Hospitals were paid $95,162.36, X-ray laboratories $9,926.30, clinical laboratories $5,633.76 and ambulance companies $1,644.47. Physiotherapy service, which is provided in a department operated by the Health Service System itself, cost $5,744.81. The disbursement for X-ray and clinical laboratory service as shown here applied only to ambulatory cases. X-ray and clinical laboratory examinations for persons hospitalized as bed patients are included in the total disbursements for hospitalization.

Charges to the Medical Fund for services other than direct medical care amounted to $6,832.50. This included the salary of the medical director and fees for examination of applicants for dependent membership.

Administration Fund allocations for the year totaled $39,456.76. Aggregate disbursements from the fund were $40,995.05, exceeding the allocations by $1,538.29. A balance of $5,000 carried forward from the previous year prevented the fund from showing a deficit at the close of the fiscal year ending September 30, 1943.

Average monthly disbursements were as follows:

Doctor Service	$24,295.15
Hospitalization	7,930.20
X-ray Laboratories	827.19
Clinical Laboratories	469.48
Ambulance Service	137.04
Physiotherapy	478.73
Total Medical Service	$34,137.79
*Non-Medical	3,985.63
Total	$38,123.42

* Includes Medical Director and examination of applicants for dependent membership.

Average monthly contributions exceeded disbursements by $1,604.34, not including "penalty payment" average of $22.29 per month.

Fund balances at September 30, 1943 were:

Medical Fund	$21,153.71
Administration Fund	3,003.68
Service Extension and Reserve Fund	6,475.08
Total	$30,632.47

Fund balances at the close of the previous year were:

Medical Fund	$ 95.88
Administration Fund	5,000.00
Service Extension and Reserve Fund	6,017.05
Total	$11,112.93

Total at September 30, 1943	$30,632.47
Less total at September 30, 1942	11,112.93
Surplus accumulated during year	$19,519.54

PERCENTAGE DISTRIBUTION OF RECEIPTS

Doctors	61.2%
Hospitals	20.0
X-ray Laboratories	2.1
Clinical Laboratories	1.2
Ambulance	0.3
Physiotherapy	1.2
Total Medical	86.0
Non-Medical	10.0
Surplus	4.0
	100.0%

SUMMARY OF FINANCIAL OPERATIONS

Year Ended Sept. 30, 1943

CONTRIBUTIONS FROM MEMBERS			
Employees		$327,119.40	
Retired		16,886.15	
Adult Dependents		93,948.90	
Minor Dependents		38,778.60	
Penalties		267.50	$477,000.55
ALLOCATION OF FUNDS			
Medical Fund		$437,543.79	
Administration Fund		39,456.76	$477,000.55
MEDICAL FUND			
Balance from Previous Year		$ 95.88	
Allocations for Year		437,543.79	$437,639.67
MEDICAL FUND CHARGES			
Doctor Bills (Average Value of Unit $ .993)		$291,541.76	
Hospitalization		95,162.36	
X-Ray (Ambulatory)		9,926.30	
Clinical Laboratory Service (Ambulatory)		5,633.76	
Ambulance Service		1,644.47	
Medical Examinations		832.50	
Physiotherapy		5,744.81	
Medical Director		6,000.00	$416,485.96
BALANCE TO ENSUING YEAR			$ 21,153.71
ADMINISTRATION FUND			
Balance from Previous Year	$ 5,000.00		
Allocations for Year	39,456.76		$44,456.76
ADMINISTRATION CHARGES			
Personal Service		$28,688.53	
Telephone and Telegraph		1,264.12	
Postage		960.85	
Printing Bulletins, Circular Letters, etc.		205.79	
Janitorial and Window Washing Service		456.00	
Rental of Tabulating Equipment		3,780.00	
I. B. M. and City Purchasing Office—Tabulating Service		220.09	
Legal Expense		75.00	
Stationery and Office Supplies		892.46	
Printing of Tabulating Cards and Forms		803.11	
Printing of Medical Forms		509.03	
Office Furniture and Equipment		161.02	
Election Expense—Printing Ballots and Clerical Work		281.28	
Fidelity Insurance (Bond Premiums)		450.00	
Retirement Fund (Matching Contributions)		1,402.87	
Miscellaneous Expense		844.90	$40,995.05
Balance			3,461.71
Transferred to Service Extension and Reserve Fund			458.03
BALANCE AT SEPT. 30, 1943			$ 3,003.68
SERVICE EXTENSION AND RESERVE FUND			
Balance from Previous Year			$ 6,017.05
Transfer from Administration Fund			458.03
BALANCE AT SEPT. 30, 1943			$ 6,475.08

MEDICAL COVERAGE AND MEMBERSHIP RATES

The following is a reproduction of a circular of information issued to members of the Health Service System during the year under survey.

This pamphlet states the medical coverage of the System, the extent and limitation of benefits, and rates of contribution.

Membership rates as listed in the folder were in effect during the last ten months of the year (December 1942-September 1943). During the first two months of the year (October-November 1942), subscribers who now contribute $2.80 per month paid $2.50, and those who now contribute $1.80 per month (minor dependents), paid $1.50.

Information On Service

The Health Service Offices, executive and medical, are located at Room 305, Civic Auditorium (Larkin Street Wing), Phone HEmlock 7100.

Office hours are from 8:30 A. M. to 5:00 P. M. week days and 8:30 A. M. to 12:00 M. Saturdays.

Telephone service is maintained 24 hours every day of the year for emergency calls. Call HEmlock 7100 in case of any emergency, or when unable to locate the physician of your choice.

CHOICE OF DOCTORS

From the list of accepted Staff Members, who have agreed to abide by the rules and regulations of the Health Service System, the subscriber may choose any Doctor of Medicine who is willing to treat him. When necessary, subscribers or their attending physicians may request the Medical Director to furnish a Consultant from the lists made available by the Medical Director. Any legally qualified Doctor of Medicine whose name does not appear on this list may have his name included by signing an agreement to abide by the rules and regulations adopted by this Board. Consent of the Medical Director must be secured before a patient is referred from one professional staff member to another. No patient will be rendered service by more than one doctor in any month without consent of the Medical Director.

X-RAY AND LABORATORY BENEFITS LIMITED

X-ray examinations to the value of $10.00* and laboratory tests to the value of $5.00** are given to patients **while not in the hospital,** and are limited respectively to service for any one condition, illness or injury. After a twelve-month period has elapsed, the service of either or both may be extended, upon approval of the Medical Director, to cover a new condition, illness or injury.

The liability of the Health Service System is limited to a total of five necessary office visits per month, irrespective of the number of doctors visited. Home visits or hospital visits are only limited to necessary calls.

ILLNESSES AND CONDITIONS NOT COVERED

Treatment will not be given for mental, alcoholic and drug addiction diseases, illnesses arising out of or induced by intoxication, or drug addiction of the patient, or in cases of attempted suicide or where care is provided under the Workmen's Compensation Act.

* Increased to $15.00 March 1, 1944.
** Increased to $10.00 October 1, 1943.

No minor dependent is entitled to a tonsillectomy or adenoidectomy. No dependent or independent beneficiary is entitled to obstetrical services or services for complications of pregnancy.

ILLNESSES PARTIALLY COVERED

A woman member who is a municipal employee is entitled to the obstetrical services of a physician at any time, but must pay for hospitalization.

Preventive inoculations and vaccinations will be given but the patient must supply the vaccines, toxins, et cetera used.

Venereal diseases will be treated in the office of the physician but the patient must supply all drugs or medicines prescribed or used in the treatment.

HOSPITAL CARE PROVIDED

When necessary and prescribed by a physician on the professional staff and approved by the Medical Director, a patient shall be hospitalized. The Health Service System will be responsible for the bills therefor for a period of not more than twenty-one (21) days in any twelve month period for adult subscribers, and for a period of not more than ten (10) days in any twelve month period for minor dependent subscribers.

The hospital service provided by the Health Service System will be a ward bed, meals, special diet, general nursing care, floor supply of drugs, dressings, laboratory and tissue examinations, basal metabolic rate determination, electrocardiographs, blood typing for transfusions, physiotherapy not to exceed $10.00 in selling value, use of operating room, administration of anesthetic, plaster casts, ordinary splints, intravenous solutions.

While in the hospital during the 21-day period covered by the Health Service the patient shall be entitled, without charge, to the professional services of a roentgenologist and use of all hospital X-ray equipment and services, technician's services and facilities including films.

WHAT PATIENT MUST PAY FOR IF USED

The following services if given the patient must be paid for by him: Use of operating room for extraction of teeth or dental care, dental X-ray; the use of special splints for which a rental charge is made; those drugs and medicines other than the floor supply, for which the hospital makes an additional charge to the patient; an oxygen tent or administration of oxygen therapy; the blood of a donor in blood transfusion; the use of radium, deep X-ray therapy; crutches or the use of crutches if the hospital makes a charge therefor; allergic tests, biologic tents, and orthopaedic appliances.

WHAT HOSPITALIZATION IS NOT PROVIDED

Hospitalization is not provided for obstetrics or complications of pregnancy, venereal diseases, dental care, alcoholism, drug addiction, injuries or illness arising out of or induced by alcoholism or drug addiction, excitable nervous and mental diseases, contagious diseases quarantinable by law, illnesses or injuries resulting from attempted suicide, injuries or illnesses where the patient is entitled to care under the Workmen's Compensation Act, sanitarium treatment or care of tuberculosis, rest home or sanitarium care, other cases not admissible to an ordinary hospital. Hospitalization will not be provided for the sole purpose of diagnosis of ambulatory cases.

PRIVATE ROOMS

Patients may have private rooms in the hospital by paying the difference between the regular ward rate and the rate charged by the hospital for the room desired.

PHYSIOTHERAPY

When ordered by the attending physician, patients will be given physiotherapy treatments without charge at the Physiotherapy Department of the Health Service System only. The deparment is located in Room 305, Marshall Square Building, 1182 Market St. (Orpheum Theater Building). Hours are from 9 A. M. to 6 P. M. Monday through Friday, and 9 A. M. to 1 P. M. Saturday.

AMBULANCE SERVICE

Ambulance service from within the boundaries of the City and County to the hospital will be provided.

MEMBERS OUTSIDE OF SAN FRANCISCO

Members regularly employed outside of the City and County of San Francisco and those members living outside of San Francisco on the authorization of the Director of Public Health of the City and County of San Francisco may get treatment from a resident doctor in their locality provided that the doctor will agree to perform services under Plan 1, as adopted by the Health Service Board.

Members on vacation or traveling inside the boundaries of the State or living outside of San Francisco on lawful authorization other than that of the Director of Health who receive emergency illness or injury treatment at the place where they are stricken will be reimbursed upon approval by the Medical Director at the same rate of compensation as would be given to an authorized hospital or professional staff member in San Francisco for the same condition, upon presenting the receipted bills and a brief medical history of the case to the Medical Director.

In all such cases the Medical Director must be notified immediately and the patients must be returned to San Francisco as soon as it is medically safe for them to be moved.

BILLS FOR WHICH SYSTEM NOT RESPONSIBLE

The Health Service System will not be responsible for any payment to doctors or hospitals who will not join the System and by rejecting the compensation schedule and rules and regulations refuse to cooperate with the city employees. The Health Service System will not be responsible for the cost of hospitalization where the member is hospitalized by a doctor not on the professional staff.

SICK LEAVE REPORTS

Sick leave reports will be furnished by attending physicians without charge to members of the System.

SPECIAL NURSES

Special nurses are not provided by the Health Service System.

PRESCRIPTIONS

All prescriptions for medicine must be in writing and the patient must be allowed to choose his own druggist. The Health Service System does not pay for medicines.

By special arrangement with the Northern California Retail Druggists' Association, Ltd., many drug stores will give a discount on prescriptions to members of the Health Service System who show their card of membership. This applies only to medicines.

DEPENDENTS

In order to be eligible for dependent membership, a person must be wholly dependent on others for support and 50 per cent of the dependency must be on the city employee member of the Health Service System.

Dependents seeking admission to the system must submit to a medical examination. Any physical defect or pathological condition then present shall be corrected before the dependent is admitted, or such defect or condition, **whether or not found on examination,** will not be treated by the System.

No minor dependent will be admitted until attaining the age of one year.

The charge for all minor dependents shall be $1.80 each per month and all admissible minor dependents must be enrolled if any one is entered in the System.

Service to dependents and to independent beneficiaries will be limited to one year for any one condition or injury.

No minor dependent is entitled to a tonsillectomy or adenoidectomy.

No adult dependent or independent beneficiary is entitled to obstetrical service for complications of pregnancy.

SUBROGATION

Where a subscriber has a legal claim against a third person for damages for illness or injury caused by the act or omission of such third person, the Health Service System shall be subrogated to that claim to the extent of a fair charge for the services rendered by it to the subscriber necessitated by such act or omission.

MEMBERSHIP CARDS

Membership cards must be shown to doctor, hospital and other agencies of medical care previous to receiving services. Any violation of this rule obligates the Medical Director to refuse authorization of payment. Members must sign appropriate forms on the dates services are received.

Employees on leave of absence should notify the office of the Health Service Board and arrange for the payment of their monthly contributions.

Death of dependent members of the Health Service System should be reported to the office immediately.

RATES

Member	$2.80 per month
Dependents 18 to 62 years of age	2.80 " "
" 62 years and over	3.50 " "
Minor dependents under 18 years of age	1.80 " "
Retired members under 62 years of age	2.80 " "
" " 62 years of age and over	3.50 " "

COMPARISON OF MEDICAL COSTS AND MEMBERSHIP CONTRIBUTION BY SUBSCRIBER GROUPS

One of the major problems which have confronted the Health Service Board since the inception of the plan is that of determining just how closely the contribution rate for the four basic subscriber groups—employee members, retired members, adult dependents and minor dependents—should cover the cost of medical service used by each.

Soon after the plan became operative it was discovered that dependent groups, both adults and minors, were costing the System considerably more than the sums contributed for their membership. This was due in part to the fact that the original dependent enrollment was made without medical examination as a prerequisite of admittance to membership. A medical examination has been required of applicants for dependent membership since the initial months of operation.

Retired employees have always been much more costly than other groups. Their contributions have never closely approached the cost of their coverage.

The contributions of employee members consistently came closer to covering the medical service used by them than have those of the other groups.

Adjustments in the rates and coverage made since the end of the first year have greatly reduced the disproportion between the contributions made for dependent members and the cost of their coverage.

At one time the monthly service of the minor dependent group exceeded the contribution made for them by $1.30 per subscriber. During 1940 the rate for minors was $1.50 per month. The value of medical care received during that period averaged $2.80 per month at the full value of the medical fee schedule. Experience with adult dependents at that time revealed that the value of their medical service received through the System exceeded contributions by an average of 66 cents per subscriber per month. The contribution rate was then $2.50, and the cost of coverage was evaluated at $3.16 per month.

Experience of the period here under survey shows considerable change in regard to these groups. The total average monthly contribution for membership of adult dependents during the 12-month period ending September 30, 1943 exceeded the disbursements made for them by 40 cents per subscriber per month. This was partly offset, however, by an excess in the cost of medical care for minor dependents over the contributions made for them. The average monthly contribution for minor dependents was 24 cents less than the cost of their medical care.

Retired members, meanwhile, continued to show a monthly deficit of $1.19 per member. The contributions of employee members surpassed the cost of their coverage by 14 cents per member per month.

The Health Service Board has not been committed to the principle that dependents must be carried entirely by their own contributions. It has recognized, however, that too great a disparity between contribution and cost should not exist if the System is to operate equitably for those employees who do not have dependents enrolled.

It may make little difference to the employee who has dependents enrolled in the System if part of the cost of their medical care is derived from his own contribution and from the contribution of employees who do not have dependents enrolled. It has been realized, however, that since employees who have enrolled dependents are in a minority, fairness to employee members who have not entered dependents requires that dependent costs be kept as near the contribution rate as is practical. Less than one-third of the employee members have enrolled dependents.

A total of $476,733.05, not including $267.50 in "penalty payments," was received in membership contributions during the year ending September 30, 1943. The total cost of carrying the 14,913 subscribers during this period was $457,481.01. This included medical costs of $409,653.46 and non-medical expense of $47,827.55. Receipts exceeded disbursements by $19,252.04, representing an accumulation of monthly surpluses since December of 1942, when the System began paying $1.00 on its fee schedule unit.

Most of the surplus was derived from the employee membership. The contributions for this group exceeded disbursements by $17,231.73. Expenditures for retired members were $6,054.80 more than contributions. Income from adult dependents was $13,349.71 more than their total costs. A loss of $5,274.60 was sustained on minor dependent membership.

Average monthly income and expense per subscriber, including non-medical disbursements, were as follows:

	Income	*Expense*
Employees	$2.749	$2.603
Retired Members	3.321	4.506
Adult Dependents	2.877	2.469
Minor Dependents	1.747	1.984
All Subscribers	$2.664	$2.556

Expense figures as shown here are based on the 99.3-cent unit value actually paid. Had the System paid $1.00 on the unit during the first two months of the year, the effect would have been to increase monthly medical costs about 1.2 cents per subscriber.

The following schedules show a comparison of income and expense by type of subscriber in average monthly figures and total disbursements, including a breakdown by type of medical service.

HEALTH SERVICE SYSTEM

ANALYSIS OF CONTRIBUTIONS AND DISBURSEMENTS PER SUBSCRIBER PER MONTH BY TYPE OF SUBSCRIBER 12 MONTH PERIOD ENDING SEPTEMBER 30, 1943

	Employee Members	*Retired Members*	*Adult Dep.*	*Minor Dep.*	*All Subscribers*
Average Monthly Membership	9,918	424	2,721	1,850	14,913
Average Monthly Contribution per Subscriber	$2.749	$3.321	$2.877	$1.747	$2.664
Disbursements:					
(Average per Month)					
Doctor Service	1.667	2.840	1.499	1.340	1.629
Hospitalization	.537	1.266	.577	.269	.532
X-ray Laboratories	.059	.051	.051	.044	.056
Clinical Laboratories	.032	.024	.031	.030	.031
Ambulance Service	.009	.026	.012	.002	.009
All Medical Service except Physiotherapy	2.304	4.207	2.170	1.685	2.257
Physiotherapy	.032	.032	.032	.032	.032
Total Medical Service	2.336	4.239	2.202	1.717	2.289
Non-Medical Expense	.267	.267	.267	.267	.267
Total Disbursement	$2.603	$4.506	$2.469	$1.984	$2.556
Excess of Contributions over Disbursements	.146	.....	.408	.....	.108
Excess of Disbursements over Contributions	.....	1.185	.....	.237	.....

ANALYSIS OF CONTRIBUTIONS AND DISBURSEMENTS BY TYPE OF SUBSCRIBER—YEAR ENDING SEPTEMBER 30, 1943

	Employee Members	*Retired Members*	*Adult Dependents*	*Minor Dependents*	*All Subscribers*
Average Monthly Membership	9,918	424	2,721	1,850	14,913
Total Membership Contributions	$327,119.40	$16,886.15	$93,918.90	$38,778.60	$476,733.05
Disbursements:					
Doctor Service (1)	$198,410.02	$14,436.98	$48,951.98	$29,742.78	$291,541.76
Hospitalization	63,901.05	6,437.37	18,840.50	5,983.44	95,162.36
X-ray Laboratories	7,054.25	259.50	1,646.05	966.50	9,926.30
Clinical Laboratories	3,818.50	122.50	1,019.26	673.50	5,633.76
Ambulance Service	1,078.23	131.00	391.24	44.00	1,644.47
Physiotherapy (2)	3,820.30	166.60	1,015.55	712.36	5,714.81
Total Medical Expense	278,082.35	21,553.95	71,894.58	38,122.58	409,653.46
Non-Medical Expense (2)	31,805.32	1,387.00	8,704.61	5,930.62	47,827.55
Total Disbursements	$309,887.67	$22,940.95	$80,599.19	$44,053.20	$457,481.01
Excess of Contributions over Disbursements	$ 17,231.73	.....	$13,349.71	.....	$ 19,252.04
Excess of Disbursements over Contributions	.....	$ 6,054.80	.....	$ 5,274.60	.....

(1) Average Unit Value, $0.993. (2) Pro-rata Group to Total Membership.

MEDICAL SERVICE

Doctors

The services of doctors of medicine comprise by far the greatest portion of all medical costs. Of a total for all medical care of $409,653.46, the sum of $291,541.76 was expended for treatment of members of the System by doctors of the professional staff. This covered office visits, home visits, hospital calls, night calls, operations and special services.

From an average monthly membership of 14,913 subscribers, 9,917, or 66.5 per cent, received services of a doctor one or more times during the year ending September 30, 1943. These services ranged from a single visit to a doctor's office, to a lengthy series of visits where a patient was confined to his home, to operations and post-operative calls extending over a long period of time.

Operative procedures were performed for 1,526 patients. Most of these were minor procedures which incapacitated the patient for only a few days. Many, however, were major operations which would have placed a burden of indebtedness on most employees beyond their capacity to meet at the time the service was needed.

The following is a list of expenditures made for certain operative cases, including the cost of hospitalization:

	Number Patients	*Total Cost*
Removal of Appendix	81	$13,939.00
Other Abdominal Operations	86	21,063.62
Hernia	76	16,321.72
Resection of Prostate Gland	18	4,585.28
Nasal Operations	11	3,352.85
Removal of Goiter	6	1,428.25
Fractures	138	12,299.96

A total of $77,334.29 was expended for operations of all types for doctor service only.

Office, home and hospital calls account for most of the services of the professional staff in terms of cost. Such visits cost the System $169,057.76 for all types of call during the year. This sum was in payment for the following number of visits:

Office	45,360
Home	10,097
Hospital	6,740
Night (home)	156
Total	62,353

Services of the professional staff other than operative procedures and visits cost a total of $45,149.71.

Payment for the services of doctors was made at the full $1.00 value of the System's fee schedule unit from December, 1942, through Septem-

ber of 1943. For October and November of 1942, the first two months of the 12-month period covered here, the unit value was 95 and 98 cents, respectively. The average value for the year was 99.3 cents.

The value of the unit has remained at $1.00 since it was attained in December, 1942. That is the rate provided for in the System's fee schedule, which is a part of the agreement with members of the professional staff. Present conditions, considered in the light of experience of the past year, would indicate that the System can continue to pay for professional services in full at the present rates of contribution if the extent of coverage remains substantially the same. This does not make allowance for a serious epidemic or catastrophe.

The ability of the System to pay in full for services rendered to members has removed one of the greatest difficulties under which the System functioned during its earlier years. During the first year the average unit value was 66 cents. At that time it was recognized that the plan was experimental and that it would have been impossible to bring the demand for medical care and the membership contribution rate into immediate alignment. The unit rate of payment for the second year increased to 78 cents. During the third year unfavorable conditions lowered it again to 66 cents. Improvements occurred during the fourth year, raising the value to 85 cents.

The fee schedule for professional services was based on the idea of average fees charged by the profession throughout the community. It was considered to be a proper guide for distributing the payment for medical care by type of service performed.

In agreeing to participate in the Health Service System, the doctors recognized the experimental nature of the plan. They realized that it was impossible to anticipate exact medical needs. For that reason, and to protect the System to some extent against the effect of an epidemic or catastrophe, the unit method of payment for professional services was adopted. This permits an inadequacy of funds during any period to reduce the amount paid for individual services to a point where all services rendered will be covered by the monies available.

As time went on and the System continued to pay for professional services at a decreased value, dissatisfaction became more and more prevalent. This dissatisfaction was strongly reflected in the attitude of the subscribers toward their Health Service.

Attainment of a sound financial position, under which full payment is made for medical services, has strengthened the System immeasurably. There is now a minimum of complaint and dissatisfaction among those treating the city employees. The general support and cooperation of the professional staff has had a direct effect on the attitude of the employee members toward the organization through which they pool their health risk and payment for medical care.

Plan I of the Health Service System provides for so-called free choice of doctor, with an open panel on which any properly qualified doctor of medicine in San Francisco may have his name placed.

There were 1,018 doctors on the professional staff list at the close of the year. Of this number, 677 had treated one or more Health Service patients during the period under survey. The number receiving no patients through the System was 341. Many of those who received no patients were in military service. Doctors entering the armed forces are not withdrawn from the professional staff register. Their names are omitted from the printed list distributed to the membership, however.

The following is a distribution of patients by doctors:

*Number of Patients	Number of Doctors
None	341
Under 5	173
5- 9	131
10- 19	159
20- 49	146
50- 99	53
100-199	11
Over 200	4
	1,018

* The number of patients as used here is the number treated by different doctors. Many persons were patients of more than one doctor.

Experience of the first year of Plan I revealed that approximately 25 per cent of the doctors of the professional staff received 75 per cent of the patients and fees. This meant that 250 of the 1,000 doctors participating were performing three-fourths of the medical services for city employees. During the past year the uneven distribution of patients to doctors has become more pronounced. Seventy-five per cent of the total disbursement for doctor's services went to 19 per cent of the professional staff. This may be a result of many doctors having entered military service.

The following table shows the distribution of funds to doctors by amounts received:

Amounts Received	Number of Doctors
None	341
Under $ 50	136
$ 50 - 199	201
200 - 499	169
500 - 999	101
1,000 - 1,999	54
2,000 - 2,999	10
3,000 - 3,999	4
4,000 - above	2
	1,018

The following tabulation shows the demand for doctor service and cost by type of subscriber:

	Employee Members	*Retired Employees*	*Adult Dependents*	*Minor Dependents*	*All Subscribers*
Number of Subscribers in Group	9,918	424	2,721	1,850	14,913
Number using Service	6,423	313	1,766	1,415	9,917
Per cent using System	64.8	73.8	64.9	76.5	66.5
Cost per Member per month at average Unit Value of $ .993	$1.667	$2.840	$1.499	$1.340	$1.629
Average Cost per Patient for the Year	$30.89	$46.12	$27.72	$21.02	$29.40
TOTAL COST	$198,410.02	$14,436.98	$48,951.98	$29,742.78	$291,541.76

The most reliable indication of trends or seasonal increase in demands for medical service is seen in the number of units of doctor service rendered by month. There is usually a marked increase in illness during the winter months which is reflected in higher medical costs. That increase was less pronounced than in former years and was a factor which contributed to the improved financial condition of the last year.

The following tabulation shows units of doctor service by month from October, 1942 through September, 1943:

UNITS OF DOCTOR SERVICE BY MONTH

October 1942	26,527.0*
November "	24,803.0
December "	24,136.5
January 1943	24,733.0
February "	25,216.0
March "	28,563.0
April "	23,381.0
May "	23,927.5
June "	24,010.0
July "	23,136.5
August "	23,678.5
September "	21,548.0
Total	293,660.0
Average	24,471.6

* Fractions of a unit are used in some fees.

MEDICAL SERVICE

Hospitalization

The hospitalization needs of members of the Health Service System during the year ending September 30, 1943, were less than during the previous year. This was in accordance with the decrease in demand for doctors' services. Although the needs were less in terms of hospital service used, the total cost of hospitalization increased slightly over that of the previous year. The number of subscribers hospitalized and the number of patient-days of hospitalization were less.

The total disbursement for hospitalization during the past year was $95,162.36. This covered 1,285 patients for a total of 11,387 hospital days. The per patient-day cost was $8.36. The total hospital disbursement for the previous year was $94,095.53. This covered 311 more patients and 687 more patient-days than were used during the past year.

The increase in cost for coverage of fewer patients and patient-days is due to increases in hospitalization rates which have taken place under wartime conditions. The per patient-day cost increased 57 cents during the past year.

The Health Service System has paid for hospitalization on a so-called "going rate" basis since May of 1941. That means payment for each item of service used in the hospital in accordance with fees established by the individual hospital. At the time Plan I was inaugurated, the Health Service Board had an agreement with the hospitals under which a flat rate of $7.20 per day was paid for members entering hospitals as members of the System. This entitled them to a ward bed, X-ray facilities, laboratory examinations, use of operating room, and all other hospital benefits provided through the Health Service. The $7.20 rate prevailed from October of 1938 to May of 1941. The hospitals made a joint demand in 1941 that certain services formerly covered under the flat daily rate be withdrawn from that coverage or be limited in extent.

The Health Service Board considered it unwise to limit certain auxiliary services provided in the hospitals, and accordingly adopted the alternative of paying for hospital care according to the regular rates charged by the individual hospital. That practice has been followed since 1941 and has resulted in an increase in hospital costs.

The abandonment of the flat daily rate was necessitated by the uneven distribution of patients to the hospitals.

Under the flat daily rate it had been found that those hospitals receiving a larger number of patients sustained only a slight loss in aggregate receipts for acceptance of Health Service System patients below what they would have received had services been paid for on an individual item of service basis. Several of the participating hospitals received so few patients, however, that the spread by type of case was uneven. A few surgical cases, which require operating room and other

facilities, would not be offset by a sufficient number of non-operative cases on which the per patient-day cost is considerably lower. This uneven spread in type of case was a constant source of dissatisfaction, and finally led to the action described above.

During the period immediately following the change in the hospital agreement there was moderate increase in the cost of hospitalization per patient per day. Shortly afterward the rates of nearly all hospitals were revised, and further changes have increased the patient-day cost to $8.36 for the fifth year of Plan I, as compared with a per patient-day cost of $7.20 at the time the plan was established.

Hospital rates are still being increased from time to time and the cost of this service for a future period cannot be anticipated with accuracy.

Some of the decrease in the number of patients hospitalized is due to congested conditions in the hospitals and the scarcity of doctors under wartime conditions. It is probable that operations for elective conditions are being postponed, and that some medical cases which ordinarily would be hospitalized are now being cared for in the home.

Of the total outlay for hospitalization during the year ending September 30, 1943, the sum of $63,901.05 was applicable to employee members. Retired members cost $6,437.37; adult dependents, $18,840.50, and minor dependents, $5,983.44.

The need for hospitalization was greatest among retired members. Both the percentage of retired members hospitalized and the average length of hospital residence was considerably higher than for any other type of subscriber. Nearly 15 per cent of the retired members became hospital patients during the year, as compared with an average for all subscribers of 8.6 per cent. The average length of hospital stay for retired employees was 13.7 patient-days as compared with 8.9 days for all subscribers. The cost per patient-day, however, was considerably lower than the average cost for other groups, indicating that a greater proportion of them were non-operative cases.

The cost per subscriber per month for hospitalization has shown little increase over previous years due to a decrease in number of patients hospitalized. The cost per subscriber per month during the last year was 53 cents, as compared with 49.3 cents for the previous year. The monthly costs by subscriber groups during the past year were: employees, 54 cents; retired employees, $1.27; adult dependents, 58 cents; minor dependents, 27 cents.

The Health Service System coverage for hospitalization is limited to 21 days per year for all subscribers except minor dependents. The coverage for minor dependents is 10 days a year. Since the average stay for all subscribers who became hospital patients was approximately nine days, it is evident that the 21-day period covers the great majority of

cases. It is found that not more than five to six per cent of all persons hospitalized remain beyond 21 days. Complete records on cases remaining beyond 21 days have not been available to the Health Service System, so that no estimate has been made from experience of the organization as to what the cost of extending this service would be.

All of the major hospitals in San Francisco received Health Service System patients during the past year. As was the case with doctor service, there was an extremely uneven division of patients among these agencies. Three hospitals received 51 per cent of the patients and slightly over 50 per cent of the total hospital disbursement. There were fourteen major hospitals participating during the period.

The following tabulation shows the demand for hospital service and the cost by type of subscriber:

	Employee Members	*Retired Members*	*Adult Dependents*	*Minor Dependents*	*All Subscribers*
Number Subscribers in Group	9,918	424	2,721	1,850	14,913
Number Hospitalized	833	63	248	141	1,285
Per cent Hospitalized	8.4	14.9	9.1	7.6	8.6
Total Days Hospitalization	7,565	865	2,232	725	11,387
Average Days per Patient	9.1	13.7	9.0	5.1	8.9
Cost per Patient Hospitalized (Av.)	$76.71	$102.18	$75.97	$42.44	$74.06
Cost per Patient per Day	$8.45	$7.44	$8.44	$8.25	$8.36
Cost per Subscriber per Month	$ .54	$1.27	$ .58	$ .27	$ .53
Total Cost	$63,901.05	$6,437.37	$18,840.50	$5,983.11	$95,162.36

MEDICAL SERVICE

X-ray, Clinical Laboratories, Ambulance and Physiotherapy

X-ray and clinical laboratory examinations referred to in this section are for ambulatory patients. These services had been limited to $10.00 and $5.00 per year, respectively, for each subscriber since the Health Service System became operative. X-ray and clinical laboratory examinations for hospitalized patients are unlimited and such costs are reflected in hospitalization expense as it appears in this report. The cost of X-ray examinations for ambulatory patients during the year ending September 30, 1943 was $9,926.30. The disbursements to clinical laboratories for ambulatory patients totaled $5,633.76. The number of patients for whom X-ray bills were paid was 1,099. That included all subscribers. By groups, the numbers receiving X-ray examinations were: employees, 767; retired members, 30; adult dependents, 183; and minor dependents, 119.

Clinical laboratory examinations were provided for 1,394 ambulatory patients. Of these, 931 were employee members, 31 were retired employees, 259 were adult dependents and 173 were minor dependents.

The average cost per patient for ambulatory X-ray service was $9.03. The average for employees was $9.20, retired members, $8.65; adult dependents, $8.99; and minor dependents $8.12. The average cost per patient for those using clinical laboratory service was $4.04. The cost per patient by subscriber groups was correspondingly near the maximum of $5.00.

It will be noted that the average cost per patient for both X-ray and clinical laboratory services closely approaches the maximum allowance for these services. The nearness of the average patient cost of both services to the $10.00 and $5.00 per year allowances indicates that the extent of these benefits is inadequate in many cases.

The Board has long recognized that the allowance provided for ambulatory X-ray and clinical laboratory examinations is insufficient to completely cover the need for such services. It had sought for some time to extend these benefits but had been unable to do so during the period when the System was failing to pay for other medical services in full. Since the close of the year under survey, an additional allowance of $5.00 has been provided for laboratory tests. This increases the annual allowance to $10.00. The allowance for X-ray examinations remains unchanged, except that provision was made at the close of the year for an additional allowance of $10.00 for X-rays to re-check conditions which had required hospitalization. This is not a part of the regular $10.00 ambulatory X-ray allowance.

Ambulance service was provided for 228 patients at a cost of $1,644.47 for the year. Of these, 150 were employee members, 19 were retired members, 52 were adult dependents, and 7 were minor dependents.

A schedule of medical costs by type of subscriber appearing on page 15 shows the distribution of X-ray, clinical laboratory and ambulance expense by group. Roughly, the combined costs were 10 cents per subscriber per month for employees and retired members, 9 cents for adult dependents, and 8 cents for minor dependents.

Physiotherapy service is provided in a department operated by the Health Service System. The cost of maintaining this branch of the service was $5,744.81. The maintenance cost per subscriber per month is 3.2 cents. A variety of treatments is given under the direction of skilled technicians, with modern, up-to-date equipment purchased from the Health Service funds.

An average of 1,117 treatments per month were given in the department. The average number of patients per month was 110.

GENERAL STATISTICS

Statistics on the membership by subscriber groups have been presented in preceding sections. Only brief reference will be made here to other statistical material accumulated through analysis of the System's fifth year of operation.

Appended to this report is a series of tables analyzing the membership by age groups and sex. It is noted in passing that the expected result of increased costs with increasing age groups is found, and that female subscribers generally are higher medical risks than are male members. The tables show a breakdown of the employee group, the retired group, and adult dependents, by age and sex. Minor dependents were tabulated by age but no distinction was made by sex as it is believed that this factor is without health risk significance in the younger subscribers.

There will also be found a tabulation of incidence of illness and cost of medical care by departments. Although this tabulation includes dependents as enrolled by the employees of the various departments, it probably has value as an indication of health risk by occupational groups. The departments appearing with the highest medical costs were also highest when a similar tabulation was made at the close of the System's first year of operation.

There is also appended a tabulation of medical costs under the disease classification in general use throughout the country in many medical institutions and organizations. This classification is known as "Logie's Standard Nomenclature of Human Disease." The listing of disease-costs under the Health Service System in these categories may have little statistical value from a purely health insurance point of view. It will be of interest, however, to persons engaged in medical work, in that it provides an over-all comparison for similar classification among other groups.

Finally, there is appended a master summary of medical costs. This summary contains the extended cost by subscriber group if the full value of the medical service unit had been paid. Analysis of cost is also made by type of adult dependent, that is, wives, mothers, etc. Non-medical expense is not reflected in this summary or in the appended tables.

ADMINISTRATION

The many administrative problems which the Health Service plan encountered at the time the System was launched have decreased greatly as members of the professional staff, agencies of medical care, and the membership itself, have become familiar with the procedure through which benefits of the System are obtained.

The method of obtaining medical service through the System requires presentation of the membership card to a doctor or medical agency on the panel of the organization. The doctor or agency then submits bills for services on forms provided by the System. For some services the eligibility of the member to receive benefits is verified at the time the service is requested. In most cases, knowledge that the subscriber has applied for medical service does not reach the office of the organization until after part of the service, at least, has been rendered. This makes conformity to the established procedure important in order that misuse of membership privileges can be minimized. It is also necessary in order to expedite handling of bills. An average of over 3,000 individual bills for medical care pass through the office of the System each month.

Use of Health Service forms was confusing to those rendering medical service at the time the plan was put into operation. Time has permitted the doctors' offices to become familiar with the procedure and there is now little non-conformity.

During the period when professional services were being paid for at a reduced rate, inquiries from the Health Service office about irregularities in procedure increased the resentment of the professional staff toward the System. The same was true of hospitals during the time when the flat daily rate failed in many cases to cover such costs. Improvement in the financial condition of the System during the past year has greatly reduced the number of irregularities, and only rarely do inquiries about individual cases now bring resentment from the doctors.

There has been an increasing willingness to cooperate with the System and the administration of the medical aspects of the plan by the Medical Director. Some of the improvement in this respect may be due to spread of the health insurance method of providing for medical care. Most of it, however, is due to the stability of the System attained during the last year.

The increased cooperation with the System generally, on the part of both those rendering medical service and the membership, is reflected in the type of problem presented to the Health Service Board of Directors. In the past, cases involving irregularity of procedure were frequently presented to the Board after the Medical Director had determined that coverage could not be approved by him under the established rules. As the System has progressed, the number of such cases has

decreased noticeably, indicating that those providing medical service and those receiving the benefits are more familiar with the plan and more willing to cooperate with the administrative requirements.

The most frequent type of matter presented to the Board in recent months has been questions regarding membership status rather than questions involving irregularity in the method of obtaining medical service. Consideration of applications for exemption, enrollment of dependents, suspension of membership due to non-payment of contributions by persons on leave of absence, and similar subjects are the most frequent controversial questions now presented to the Board.

Much of the success in administration of medical problems is due to the relationship maintained by the Medical Director with members of the professional staff and the various medical agencies. Authorization of the Medical Director is required for hospitalization of cases other than emergencies. Permission is also required before non-emergency X-ray and clinical laboratory examinations are made. Authorization must be obtained for consultations and referral of a patient from one doctor to another. The approval by the Medical Director of such services is necessary in order to avoid over-use of these facilities.

In exercising this authority the Medical Director has retained the goodwill and cooperation of the medical staff. He has at times felt that adjustment of fees allowed for various services has been necessary. The number of visits or extent of other services being given the individual patient must at times be questioned by the Medical Director.

From the attitude of the medical profession as a whole, it is evident that this close supervision of the use of medical facilities has been applied with a minimum of resentment. It would appear that the doctors recognize the necessity of such control if the funds of the System are to be protected and if the organization is to provide a maximum of medical care when needed, without working an injustice on other subscribers whose requirements at the time may be moderate.

Proper administration of the office of the Medical Director is one of the most important influences affecting the System. It is believed that retaining the cooperation of those providing medical care for the city employees has an important bearing on the attitude of the membership toward the System and on the quality of medical attention they receive.

One result of these administrative policies has been that practically all of the leading physicians and surgeons in San Francisco, including the outstanding specialists, have continued as members of the System's professional staff.

HEALTH SERVICE SYSTEM

TABLE I

Comparison by Type of Subscriber of Cost of Medical Service (Except Physiotherapy) Used During Year Ending

September 30, 1943.

	Employee Members	*Retired Employees*	*Adult Dependents*	*Minor Dependents*	*All Subscribers*
Average Number Subscribers	9,918	424	2,721	1,850	14,913
Number Using Service	6,423	313	1,766	1,415	9,917
Percentage Using Service	64.8	73.8	64.9	76.5	66.5
Average Cost per Patient	$42.70	$68.33	$40.12	$26.44	$40.73
Cost per Subscriber per Month: Actual	$2.304	$4.207	$2.170	$1.685	$2.257
At $1.00 Unit	$2.316	$4.223	$2.181	$1.695	$2.269

These figures show a comparison of medical expense of the various types of subscriber. They do not include physiotherapy (Department operated by Health Service, itself), non-medical disbursements and unexpended balances and reserve.

The average monthly contribution to the Health Service for the 14,913 subscribers was $2.664. The average medical expenditure per subscriber per month was $2.257 (last column, next to last line). The difference between this and the average contribution is $0.407.

This difference of $0.407 is broken down as follows:

Physiotherapy	$0.032
Non-medical expense	0.267
Unexpended balance and reserve	0.108
	$0.407

App. A

HEALTH SERVICE SYSTEM
TABLES II AND III

Incidence of Illness and Cost* by Age Groups of All Medical Service (Except Physiotherapy) Used by Employee Members During Year Ended September 30, 1943.

TABLE II—Male

(Employees)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
18—29	365	61.1	$26.20	$1.334
30—39	1,508	60.7	35.67	1.806
40—49	1,803	58.9	41.32	2.028
50—59	1,619	58.7	47.37	2.315
60—61	305	66.2	51.35	3.000
62 and over	711	74.1	54.97	3.107
All Ages	6,311	61.5	43.16	2.212

TABLE III—Female

(Employees)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
18—29	227	63.0	$36.79	$1.931
30—39	1,055	71.8	40.15	2.401
40—49	1,238	70.0	41.25	2.408
50—59	772	69.8	44.57	2.593
60—61	95	73.7	29.28	1.798
62 and over	187	78.1	57.17	3.739
All Ages	3,574	70.6	41.98	2.369
Total Members	9,918	64.8	42.70	$2.304

* Actual Cost—Unit Value, $0.994.

App. B

HEALTH SERVICE SYSTEM
TABLES IV AND V

Incidence of Illness and Cost* by Age Groups of All Medical Service (Except Physiotherapy) Used by Retired Members During Year Ended September 30, 1943.

TABLE IV—Male

(Retired)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
18—29	.....	.....	.....	.....
30—39	2	50.0	$ 2.37	$ .099
40—49	15	80.0	14.28	.952
50—59	33	63.6	70.15	3.720
60—61	12	66.7	52.06	2.892
62 and over	208	76.0	81.38	5.152
All Ages	270	71.1	$74.61	$4.605

TABLE V—Female

(Retired)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
18—29	.....	.....	.....	.....
30—39	2	50.0	$ 9.00	$ .375
40—49	11	100.0	73.26	6.105
50—59	23	73.9	63.07	3.885
60—61	5	80.0	49.81	3.321
62 and over	113	70.8	54.74	3.230
All Ages	154	73.4	$57.22	$3.499
Total Retired	424	73.8	$68.33	$4.207

* Actual Cost—Unit Value, $0.993.

App. C

HEALTH SERVICE SYSTEM

TABLES VI AND VII

Incidence of Illness and Cost* by Age Groups of All Medical Service (Except Physiotherapy) Used by Adult Dependents During Year Ended September 30, 1943.

TABLE VI—Male

(Dependents)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
18—29	51	78.4	$22.82	$1.492
30—39	10	60.0	85.96	4.298
40—49	17	35.3	19.97	.587
50—59	9	66.7	13.39	.744
60—61	3	33.3	2.50	.069
62 and over	59	64.4	33.78	1.813
All Ages	149	65.1	$30.05	$1.630

TABLE VII—Female

(Dependents)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
18—29	248	64.5	$35.29	$1.897
30—39	613	63.3	41.35	2.181
40—49	682	64.7	43.48	2.343
50—59	532	60.5	37.31	1.882
60—61	74	74.3	59.15	3.663
62 and over	423	71.6	38.95	2.325
All Ages	2,572	64.9	$40.70	$2.201
Total Adult Dep.	2,721	64.9	$40.12	$2.170

* Actual Cost at $0.993 Unit Value.

App. D

HEALTH SERVICE SYSTEM

TABLE VIII

Incidence of Illness and Cost* by Age Groups of All Medical Service (Except Physiotherapy) Used by Minor Dependents During Year Ended September 30, 1943.

MALE AND FEMALE

(Minor Dependents)

Age	*Average Number Subscribers*	*Per Cent Using Service*	*Cost* Per Patient*	*Cost* Per Subscriber Per Month*
1— 4	359	76.3	$22.12	$1.407
5— 9	592	85.5	24.99	1.780
10—14	573	66.8	28.46	1.585
15—17	326	77.3	30.97	1.995
All Ages	1,850	76.5	$26.44	$1.685

* Actual Cost at $0.993 Unit Value.

App. E

HEALTH SERVICE SYSTEM

Incidence and Cost of Illness and Injury of All Subscribers by Department

12 Months Ending September 30, 1943

Department	*Number Subscribers*	*Number Using Service*	*Per Cent Using Service*	*Cost Per Patient*	*Cost Per Subscriber Per Month*
Education (Monthly)	3,302	2,277	69.0	$39.63	$2.277
Education (Semi-Monthly)	602	418	69.4	37.21	2.153
Fire	1,308	806	61.6	37.69	1.935
Health (Except Hosp.)	582	372	63.9	10.12	2.137
S. F. Hospital	594	452	76.1	13.53	2.760
Municipal Ry.	1,497	1,027	68.6	11.10	2.367
Park	433	273	63.1	13.24	2.272
Police	2,008	1,339	66.7	35.13	1.952
Public Works	1,247	812	65.1	38.99	2.116
Water	526	323	61.4	35.45	1.811
Retired Members	528	391	74.0	59.51	3.673
Miscellaneous	2,286	1,586	69.4	41.23	2.384
Total	14,913	*9,917	66.5	$40.73	$2.257

* Duplications due to same members being in different departments are eliminated.

App. F

Distribution of Patients and Cost of Doctor Service and Hospitalization For All Illnesses and Injuries as Classified Under "Logie's Standard Nomenclature of Human Disease."

Year Ending September 30, 1943

Disease	*Patients*	*Total Cost*
Body as a Whole	2,737	$53,622.13
Skin	1,984	26,500.39
Bones, Joints and Muscles	1,479	37,050.66
Respiratory System	3,277	54,512.98
Cardiovascular System	1,359	34,420.62
Blood and Blood-forming Organs	339	5,186.90
Digestive System	2,357	70,391.21
Urogenital System	1,074	63,664.96
Glandular System	34	2,141.75
Nervous System	511	12,757.79
Eye, Ear, Nose and Throat	1,408	17,803.58
Examinations and Deferred Diagnoses	1,339	8,651.15
Total	*17,898	$386,701.12

* Includes duplications due to the same subscriber being included in more than one classification. The number of individual patients involved was 9,917.

Average monthly membership—14,913.

App. G

HEALTH SERVICE SYSTEM OF SAN FRANCISCO

Incidence of Illness and Cost of Medical Care (Except Physiotherapy)
For 12-Month Period Ending September 30, 1943

Members	Number of Subscribers in System	Number of Patients	Per Cent Using Service	AT $1.00 PER UNIT			AT ACTUAL COST		
				Total Cost	Average Cost Per Patient (Year)	Average Cost Per Subsc. Month	Total Cost	Average Cost Per Patient (Year)	Average Cost Per Subsc. (Month)
Male	6,341	3,901	61.5	$169,291.78	$43.40	$2.224	$168,377.36	$43.16	$2.212
Female	3,574	2,522	70.6	106,113.25	42.19	2.481	105,884.69	41.98	2.469
Total Members	9,918	6,423	64.8	275,705.03	42.94	2.316	274,262.05	42.70	2.304
Retired Members									
Male	270	200	74.1	14,979.78	74.90	4.623	14,921.77	74.61	4.605
Female	154	113	73.4	6,190.59	57.44	3.512	6,465.58	57.22	3.499
Total Retired Members	424	313	73.8	21,170.37	68.60	4.223	21,387.35	68.33	4.207
Adult Dependents—Male									
Husbands	39	23	59.0	930.20	40.44	1.988	928.41	40.37	1.984
Fathers	47	31	66.0	952.95	30.74	1.690	945.96	30.51	1.677
Other Male Adult Dependents	63	43	68.3	1,050.21	24.42	1.389	1,040.48	24.20	1.376
Total Adult Dependents—Male	149	97	65.1	2,933.36	30.24	1.641	2,914.85	30.05	1.630
Adult Dependents—Female									
Wives	1,993	1,277	64.1	53,332.95	41.76	2.230	53,042.17	41.54	2.218
Mothers	356	235	66.0	9,464.55	40.27	2.215	9,428.97	40.12	2.207
Other Female Adult Dependents	223	157	70.4	5,491.19	34.99	2.053	5,463.01	34.80	2.041
Total Adult Dependents—Female	2,572	1,669	64.9	68,291.69	40.92	2.213	67,934.18	40.70	2.201
Total Adult Dependents	2,721	1,766	64.9	71,225.05	40.33	2.181	70,849.03	40.12	2.170
Minor Dependents	1,850	1,415	76.5	37,626.44	26.59	1.695	37,410.22	26.44	1.685
GRAND TOTAL—ALL SUBSCRIBERS	14,913	9,917	66.5	$106,026.89	$10.94	$2.269	$103,908.65	$10.73	$2.257

Average Value of Unit, $0.993.

HEALTH SERVICE SYSTEM OF SAN FRANCISCO

Incidence of Illness and Cost of Medical Care (Except Physiotherapy)

For 12-Month Period Ending September 30, 1943

	DOCTOR SERVICE						TOTAL AGENCIES*				
	AT $1.00 PER UNIT			AT ACTUAL COST							
	Total Cost	Average Cost Per Patient (Year)	Average Cost Per Subsc. (Month)	Total Cost	Average Cost Per Patient (Year)	Average Cost Per Subsc. (Month)	Number of Patients	Per Ct. Using Service	Total Cost	Average Cost Per Patient (Year)	Average Cost Per Subsc. (Month)
Members											
Male	$119,855.50	$30.72	$1.571	$118,911.08	$30.49	$1.562	1,188	18.7	$ 19,136.28	$11.61	$0.619
Female	79,997.50	31.72	1.365	79,168.91	31.51	1.853	904	25.3	26,115.75	29.22	.616
Total Members	199,853.00	31.12	1.679	198,110.02	30.89	1.667	2,092	21.1	75,852.03	36.26	.637
Retired Members											
Male	9,764.50	48.82	3.014	9,706.49	18.53	2.996	61	23.7	5,215.28	81.49	1.610
Female	4,755.50	12.08	2.573	4,730.19	11.86	2.560	40	26.0	1,735.09	13.38	.939
Total Retired Members	14,520.00	46.39	2.856	14,436.98	16.12	2.810	101	21.5	6,950.37	66.83	1.367
Adult Dependents—Male											
Husbands	518.50	23.85	1.172	516.71	23.77	1.168	5	12.8	381.70	76.31	.816
Fathers	687.00	22.16	1.218	680.01	21.91	1.206	10	21.3	265.95	26.60	.472
Other Male Adult Dependents	774.50	18.01	1.021	764.77	17.79	1.012	13	20.6	275.71	21.21	.365
Total Adult Dependents—Male	2,010.00	20.72	1.124	1,991.19	20.53	1.111	28	18.8	923.36	32.98	.516
Adult Dependents—Female											
Wives	37,121.50	29.07	1.552	36,833.72	28.84	1.540	135	21.8	16,208.45	37.26	.678
Mothers	6,274.00	26.70	1.469	6,238.42	26.55	1.460	71	19.9	3,190.55	44.94	.717
Other Female Adult Dependents	3,919.50	24.96	1.465	3,888.35	24.77	1.453	16	20.6	1,571.69	34.23	.588
Total Adult Depend. Female	47,318.00	28.35	1.533	46,960.19	28.14	1.522	552	21.5	20,973.69	38.00	.680
Total Adult Dependents	49,328.00	27.93	1.510	48,951.98	27.72	1.499	580	21.3	21,897.05	37.75	.671
Minor Dependents	29,959.00	21.17	1.350	29,742.78	21.02	1.340	362	19.6	7,667.11	21.18	.345
GRAND TOTAL ALL SUBSCRIBERS	$293,660.00	$29.61	$1.611	$291,511.76	$29.40	$1.629	3,138	21.0	$112,366.20	$35.81	$0.628

Average Value of Unit, $0.993.

* Hospitalization, X-Ray, Clinical Laboratory and Ambulance.

THE MERCURY PRESS 542 HOWARD STREET